ADMINISTRATION FOR CHILDREN & FAMILIES

CCDF Final Rule

SUBSIDY ELIGIBILITY & HOMELESS PROVISIONS

Office of Child Care

Reauthorization

In 2014, Congress reauthorized Child Care and Development Block Grant (CCDBG). This was an historic re-envisioning of child care.

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Effective/Compliance Dates

Effective Date: 60 days after publication in the Federal Register on September 30, 2016.

Compliance Date: Full compliance by September 30, 2018. Compliance determined through CCDF Plans and federal monitoring.

Compliance Date (Tribes): Compliance through review and approval of the FY 2020 - 2022 Tribal CCDF Plans that become effective October 1, 2019.

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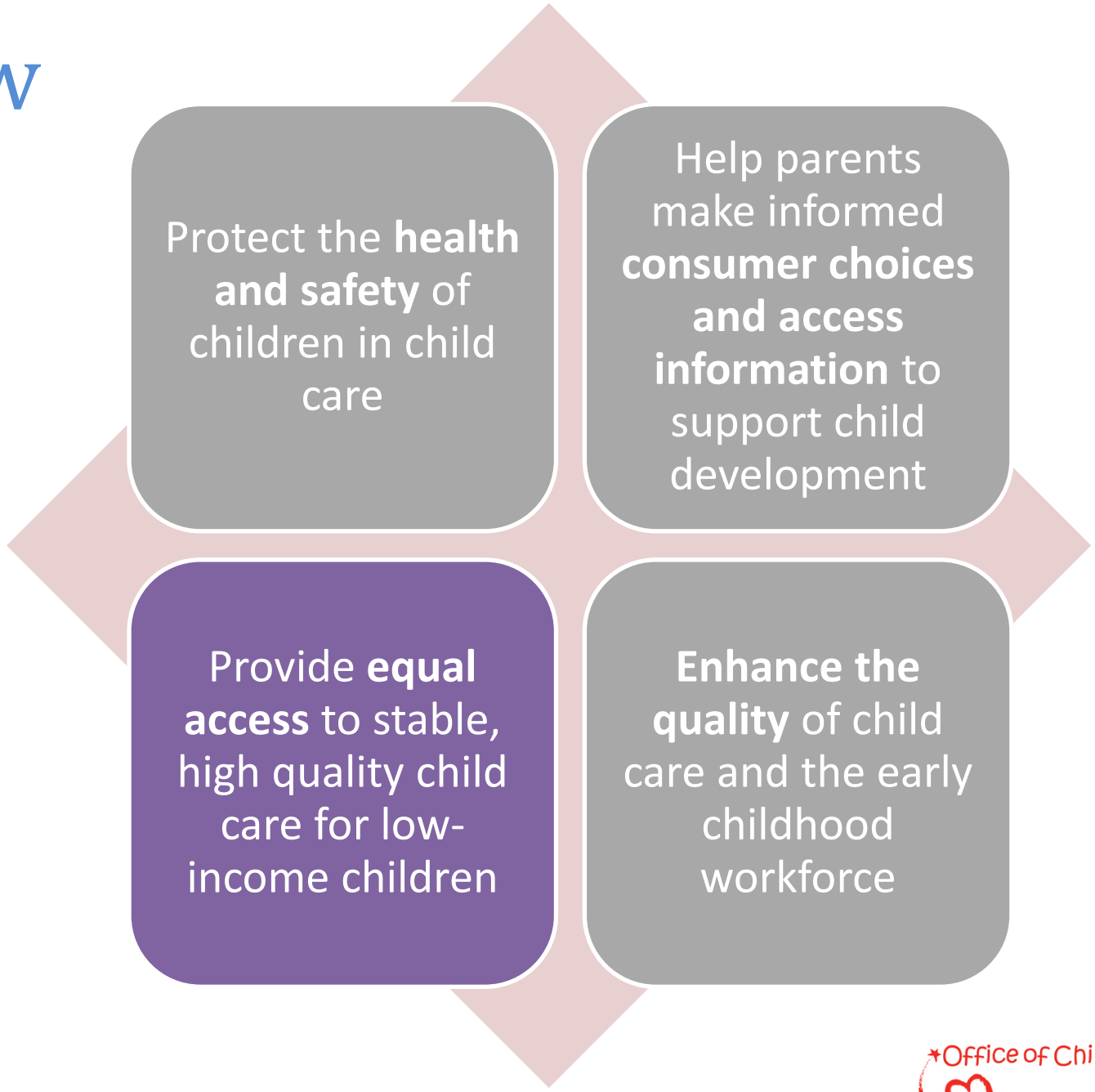
Overview

Addresses 4 major topical areas:



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Subsidy Eligibility & Homeless Provisions

- Lengthened Eligibility & Continuity
- Flexibility for Working Parents
- Continued Assistance/Job Search
- Graduated Phase-out
- Homeless Provisions
- Application to Tribes

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Lengthened Eligibility in the Law

The law established **minimum 12 month eligibility periods**, regardless of a temporary change in parents' status as working or attending job training or education, if family income does not exceed 85% of SMI.

(45 CFR 98.21(a))

Lengthened Eligibility

The Final Rule:

- Clarifies that minimum 12-month eligibility applies to initial and subsequent eligibility periods.
- Prohibits shorter authorization periods within the minimum 12 month eligibility period.
- Clarifies that co-payments cannot be raised during the eligibility period

45 CFR 98.21(a)

Lengthened Eligibility

Defines "temporary" to include at a minimum:

- time-limited absences from work or school (e.g. seasonal work, school break);
- any reduction in work, training or education hours;
- other changes to work, education, job training status less than 3 months;
- any change in age, including turning 13 years old during the eligibility period; and
- any change in residency within the State, Territory, or Tribal service area.

45 CFR 98.21(a)

Lengthened Eligibility

Adds that Lead Agencies *may* discontinue assistance prior to next re-determination only in limited circumstances*:

- Excessive unexplained absences (after attempts to contact family);
- A change in residency outside of State, Territory, or Tribal service area; or
- Substantiated fraud or intentional program violations.

*This does not include continued assistance/job search which was in the law.

45 CFR 98.21(a)

Continuity During Eligibility Periods

At eligibility determination and redetermination, information needed to determine CCDF Eligibility:

- child age
- family income
- qualifying activity
- other information as determined by the Lead Agency

45 CFR 98.21(e)

Reporting During Eligibility Period

Limit reporting requirements to:

- changes that impact a child's federal eligibility (income over 85% of SMI, which families *must* report)
- information that impacts a LA's ability to communicate w parents or providers

Must not require an office visit in order to fulfill notification requirements

Must offer a range of notification options (e.g. phone, email, extended hours)

45 CFR 98.21(e)

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Reporting During Eligibility Period (cont.)

Lead Agency has option to require reporting if family experiences a non-temporary change in work, job training, or education status.

Family must be allowed to report changes at any time and Lead Agencies must act on information that is beneficial to the family amount of child care assistance or copayment level.

45 CFR 98.21(e)

Flexibility for Working Parents

The law requires Lead Agencies to:

- Take into account **irregular fluctuations in earnings**; and
- Ensure that parents (esp. those receiving TANF) are not required to **unduly disrupt** employment, education or training to meet requirements.

45 CFR 98.21(c) and (d)

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Flexibility for Working Parents in Final Rule

- Not required to limit care to parent schedule (98.21(g))
- May expand protective services category to include other vulnerable populations (98.20(a)(3)(ii))
- Must take child development into account (98.21(f))

Continued Assistance before Optional Termination

The law gives a State the *option* to end assistance prior to the end of the eligibility period due to loss of work or cessation of attendance at a job training or educational program.

However, it must provide **at least 3 months of continued assistance** after such loss or cessation.

45 CFR 98.21(a)(2)

Cont. Assistance/ Job Search in Final Rule

- Cont. assistance must be provided *at least the same level;*
- No requirement to collect documentation; and
- If, by the end of the 3 month period, the parent is again engaged in an eligible work, education, or training activity, assistance cannot be terminated.
- Lead Agencies can still use job search status as initial qualifying activity as long as:
  - assistance is provided for at least 3 mos; and
  - assistance continues if the parent becomes engaged in an eligible work, education, or training activity.

45 CFR 98.21(a)(2)

Graduated Phase-out

The law requires Lead Agencies to have graduated phase-out policies and procedures for families who, at redetermination, exceed the Lead Agency's initial income threshold, if their income is still below 85% of SMI, provided they are also working or attending a job training or education program.

Note: If the Lead Agency's initial eligibility threshold is set at 85% of SMI, they would be exempt from this requirement.

45 CFR 98.21(b)

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Graduated Phase-out (cont.)

The Final Rule requires two-tiered eligibility with 2nd tier at:

- 85% of SMI; or
- An amount lower than 85percent of SMI for a family of the same size, but above the initial eligibility threshold, that:
  - accounts for the typical household budget of a low income family; and
  - provides justification that the second eligibility threshold is:
    - sufficient to accommodate increases in family income over time that are typical for low-income workers and that promote and support family economic stability; and
    - reasonably allows a family to continue accessing child care services without unnecessary disruption.

45 CFR 98.21(b)

Graduated Phase-out (cont.)

Once deemed eligible, a family shall receive a full eligibility period under the same conditions as a typical eligibility period, with the exception of co-payments.

Lead Agencies may increase co-payments during graduated phase-out (and require additional interim reporting).

A family shall be considered eligible for the full min. 12 mo eligibility period even if their income exceeds the 2nd eligibility threshold as long as it does not exceed 85% of SMI.

45 CFR 98.21(b)

Other Provisions

- Eligibility threshold must be based on the most recent SMI
- Asset Limit
- Citizenship verification
- Encourages alignment with other programs (e.g. resetting the clock)

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Improving Access for Children and Families Experiencing Homelessness

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Homeless Provisions

The law requires:

- Grace periods (incl. for H&S requirements);
- Training & technical assistance;
- Outreach;
- Coordination with other programs; and
- New data reporting.

45 CFR 98.51

Homeless Provisions (Final Rule)

- Uses McKinney-Vento definition used by Head Start and Dept. of Education (Section 725 of Subtitle VII–B)
- Clarifies that children exp. homelessness shall be given priority for services.
- Requires Lead Agencies to coordinate with other relevant agencies to help families receiving services during a grace period comply with immunization and other health and safety requirements.
- Specifies that grace period shall be established in consultation with appropriate health agency.
- Expanded protective service category (discussed earlier).

Eligibility Processes and Error Rate

The Final Rule clarifies that the following situations are *not* considered errors or improper payments:	
1. Family's circumstances change during the eligibility period.* (45 CFR 98.21(a)(4))	2. A child experiencing homelessness or a child in foster care is permitted to initially enroll, but is found to be ineligible once all documentation is submitted. (45 CFR 98.51(1))

*Unless income exceeds 85% SMI or at Lead Agency option, the family experiences a non-temporary cessation in work or attendance in a job training or educational program.

Tribal CCDF Framework

A Tiered Approach to Tribal Requirements

The final rule establishes 3 tiers of tribal grantees based on the size of their allocation, with reduced req. for medium and smaller allocations.

- Large Allocations: over $1 million (34 Tribes)
- Medium Allocations: $250,000 to $1 million (72 Tribes)
- Small Allocations: under $250,000 (153 Tribes)

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How do the Subsidy Req. Apply to Tribes?

Tribes receiving large and medium allocations are subject to the majority of these requirements.

- Tribes receiving small allocations are exempt

Allows Tribes receiving large or medium allocations option to consider any Indian child eligible, regardless of a family's work/income/training status if the Tribe's Median Income is below 85% of SMI, *provided that services still go to those with the highest need*.

- Tribes with small allocations have flexibility to set their own eligibility requirements

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Questions & Additional Information

For additional information and resources on the Final Rule, please visit: http://www.acf.hhs.gov/occ/ccdf-reauthorization

To submit questions, please email: CCDF.reauthorization@acf.hhs.gov

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Thank you for all you do for children and families!

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Regulatory Citations

98.20	Eligibility for services
(a)	Eligibility conditions
(b)	Additional Eligibility Conditions
(c)	Citizenship

	Homeless Provisions
98.2	Definition
98.41	Grace Period for Immunizations
98.51	Services for children experiencing homelessness

98.21	Eligibility determination processes
(a)	12 month eligibility (def. of temporary, continued assistance/job search, co-payments)
(b)	Graduated phase-out
(c)	Irregular fluct. in earnings
(d)	Undue disruptions
(e)	Reporting changes in circumstances
(f)	Children's development
(g)	Not limiting authorization to parent schedule